VZCZCXRO9914 PP RUEHLMC DE RUEHLP #1741/01 2262046 ZNY CCCCC ZZH P 132046Z AUG 08 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 8226 INFO RUEHAC/AMEMBASSY ASUNCION 8235 RUEHBO/AMEMBASSY BOGOTA 5592 RUEHBR/AMEMBASSY BRASILIA 9534 RUEHBU/AMEMBASSY BUENOS AIRES 6750 RUEHCV/AMEMBASSY CARACAS 3846 RUEHPE/AMEMBASSY LIMA 4135 RUEHMD/AMEMBASSY MADRID 4159 RUEHME/AMEMBASSY MEXICO 2292 RUEHMN/AMEMBASSY MONTEVIDEO 5681 RUEHQT/AMEMBASSY QUITO 6464 RUEHSG/AMEMBASSY SANTIAGO 1199 RUEHGL/AMCONSUL GUAYAQUIL 0859 RUEHRI/AMCONSUL RIO DE JANEIRO 1014 RUEHSO/AMCONSUL SAO PAULO 2295 RUEKJCS/SECDEF WASHINGTON DC RUEAIIA/CIA WASHINGTON DC RUEHUB/USINT HAVANA 1349 RUEHBS/USEU BRUSSELS RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 001741

SIPDIS

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TAGS: <u>BL ECON KDEM PGOV PREL ASEC</u>

SUBJECT: SANTA CRUZ REACTION TO RECALL REFERENDA RESULTS

REF: LA PAZ 1716

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

SUMMARY

11. (C) Emboff spoke with several Santa Cruz political and civic leaders in the wake of the August 10 Bolivian recall referenda. In the department of Santa Cruz Prefect Ruben Costas obtained over 67 percent in favor (Si) while President Evo Morales received around 40 percent. The Santa Cruz leadership blames Podemos party leader Jorge "Tuto" Quiroga for the political crisis caused by the referenda. While acknowledging Evo's overall win (over 65 percent) countrywide, Santa Cruz is preparing to move ahead with enacting its autonomy statutes in coordination with the other opposition departments (CONALDE). The regional opposition is under pressure to take measures to stop the tide of "Evo-ism" in their area. End summary.

CONGRESSMAN CARLOS PABLO KLINSKY

12. (C) Congressman Carlos Pablo Klinsky (Podemos - Santa Cruz) said that the August 10 results show "a complete rupture" along geographic lines in the country. Klinsky commented that "there is now a direct polarization between the president and the opposition governors." He believes that President Morales is stronger after the vote and that now he will choose one of two paths: show flexibility in dealing with the opposition or radicalize his position even more. Klinsky doubts that Evo and the opposition prefects will be able to achieve a political pact but hopes the president will negotiate. "Evo has a chance here, I hope he doesn't waste it." Klinsky feels that Evo will try to launch his new constitution soon as "the only thing Evo is interested in is re-election." Santa Cruz and other CONALDE departments plan to counter Evo's results by implementing their autonomy statutes. According to Klinsky "its time for

us to take measures." Some of those measures could include holding elections for a state legislature, creating a state tax regime, and forming a state police force. Congressman Klinsky ended the meeting by referring to his party's boss, Tuto Quiroga, saying, "in Santa Cruz Tuto is totally annihilated."

SANTA CRUZ CIVIC COMMITTEE PRESIDENT BRANKO MARINKOVIC

¶3. (C) Santa Cruz Civic Committee President Branko
Marinkovic does not expect sudden changes, rather "two and a
half more years of the same." Marinkovic said that "Evo
could negotiate in good faith now but I doubt it will
happen." He thinks that President Morales will not make any
radical move against Santa Cruz because "Santa Cruz is the
economic motor and bread basket for Bolivia. Santa Cruz
supplies over 70 percent of the nation's food." At the same
time Marinkovic strongly advocates for Santa Cruz to
implement its autonomy statutes. "We are going to have an
elected state legislature. We have already published three
editions of Santa Cruz' official gazette. We are going to
follow through on our position, period." Marinkovic said Evo
will be "distracted" from bringing the new constitution for a
vote by having to call for prefect elections in La Paz and
Cochabamba, an all but certain autonomy vote in Chuquisaca,
and a push for a nationwide vote for Sucre as the nation's
capital. Branko told Emboff that "Bolivia's next national
leader will emerge in the next two years." Branko was a bit

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forgiving of Senate President Oscar Ortiz (Podemos - Santa Cruz), who voted in favor of going forward with the recall referenda: "he was Santa Cruz' star. He is now tarnished but with time he can shine again." Branko, however, had harsh words for Podemos President Tuto Quiroga: "It's time for him to leave the country and go get a job at the World Bank or something."

VICE GOVERNOR ROLY AGUILERA

14. (C) Santa Cruz Vice Governor Roly Aguilera told Emboff that "this vote has brought no solution to the country's problems. There are clearly two visions for Bolivia and we need to co-exist." While he acknowledges Evo Morales' large win, he also hopes that "the president and vice president recognize their loss in Santa Cruz. The best thing they could do is just finish out their elected terms." Aguilera said one of his main focuses is to keep CONALDE (the grouping of opposition departments of Santa Cruz, Tarija, Beni, Pando, and Chuquisaca) together and make it stronger. According to Aguilera "Podemos is dead, Tuto Quiroga has lost in every sense of the word. It's time for the regional opposition to create a more formal grouping (i.e. political party)." He is pushing Santa Cruz Prefect Ruben Costas to call for statewide legislative assembly elections and "other measures to make the transition to autonomy."

COMMENT

¶5. (C) The Santa Cruz leadership is very aware of Evo Morales' nationwide win and gains made in their department. Prefect Ruben Costas, as expected, also gained in the polls. The immediate reaction to the August 10 vote appears to look inward toward Santa Cruz and the other opposition departments, somewhat of a "let Evo run the parts of the country where he won and leave us alone." There is pressure from the population and within the circle of power to implement autonomy measures as a way of preventing Evo from achieving more gains within the region. End comment. GOLDBERG